



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

American Dental Providers of Arkansas, Inc.

NAIC Group Code 0119 , 0119 NAIC Company Code 11559 Employer's ID Number 58-2302163
(Current Period) (Prior Period)

Organized under the Laws of Arkansas , State of Domicile or Port of Entry Arkansas

Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
Other [] Is HMO, Federally Qualified? Yes [X] No []

Incorporated/Organized 01/29/1997 Commenced Business 03/20/1997

Statutory Home Office c/oCSC300SpringBldg,Ste900,300S.SpringSt , Little Rock, AR 72201
(Street and Number) (City, State and Zip Code)

Main Administrative Office 100 Mansell Court East, Suite 400
(Street and Number)
Roswell, GA 30076 770-998-8936
(City, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 100 Mansell Court East, Suite 400 , Rosell, GA 30076
(Street and Number or P.O. Box) (City, State and Zip Code)

Primary Location of Books and Records 100 Mansell Court East, Suite 400
(Street and Number)
Roswell, GA 30076 770-998-8936
(City, State and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.compbenefits.com

Statutory Statement Contact Murray Gipe , 502-580-1548
(Name) (Area Code) (Telephone Number) (Extension)
mgipe@humana.com 502-580-2099
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Gerald Lawrence Ganoni</u> ,	<u>President</u>	<u>Joan Olliges Lenahan</u> ,	<u>VP & Corporate Secretary</u>
<u>James Harry Bloem</u> ,	<u>Sr. VP, CFO & Treasurer</u>	<u>Jonathan Albert Canine #</u> ,	<u>Appointed Actuary</u>

OTHER OFFICERS

<u>George Grant Bauernfeind</u> ,	<u>Vice President</u>	<u>Elizabeth Diane Bierbower</u> ,	<u>COO-Specialty Benefits</u>
<u>John Gregory Catron</u> ,	<u>Vice President</u>	<u>Roy Goldman Ph.D</u> ,	<u>VP & Chief Actuary</u>
<u>Charles Frederic Lambert, III</u> ,	<u>Vice President</u>	<u>John Edward Lumpkins</u> ,	<u>Vice President</u>
<u>Heidi Suzanne Margulis</u> ,	<u>Sr. Vice President</u>	<u>Mark Matthew Matzke</u> ,	<u>VP-Small Bus. Risk Mgmt.</u>
<u>Gilbert Alan Stewart</u> ,	<u>Vice President</u>	<u>William Joseph Tait</u> ,	<u>Vice President</u>
<u>Joseph Christopher Ventura</u> ,	<u>Assistant Secretary</u>	<u>Tod James Zacharias</u> ,	<u>Vice President</u>
<u></u> ,		<u></u> ,	

DIRECTORS OR TRUSTEES

<u>James Harry Bloem #</u>	<u>Michael Benedict McCallister</u>	<u>James Elmer Murray</u>	
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State of Kentucky.....
County of Jefferson.....
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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices* and *Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>Gerald Lawrence Ganoni</u> President	<u>Joan Olliges Lenahan</u> VP & Corporate Secretary	<u>James Harry Bloem</u> Sr. VP, CFO & Treasurer
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Subscribed and sworn to before me this 24th day of February, 2012

Julia Basham Notary Public
January 10, 2013

a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	104,811		104,811	104,723
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$39,303 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$375,529 , Schedule DA).....	414,832		414,832	306,905
6. Contract loans (including \$premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	519,643	0	519,643	411,628
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	769		769	769
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	11,975	1,676	10,299	12,922
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....	308	43	265	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	24,932
24. Health care (\$0) and other amounts receivable.....	81		81	0
25. Aggregate write-ins for other than invested assets	174	174	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	532,950	1,893	531,057	450,251
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	532,950	1,893	531,057	450,251
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Commissions.....	174	174	0	0
2502.			0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	174	174	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded)	6,600	286	6,886	6,783
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	52		52	67
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	2,403		2,403	2,373
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	1,373		1,373	1,596
9. General expenses due or accrued	41,399		41,399	37,346
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses))	19,545		19,545	9,877
10.2 Net deferred tax liability			0	721
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	19,855		19,855	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
20. Reinsurance in unauthorized companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	91,227	286	91,513	58,763
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	100,000	100,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	2,607,976	2,607,976
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(2,268,432)	(2,316,488)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	439,544	391,488
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	531,057	450,251
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	9,785	9,738
2. Net premium income (including \$0 non-health premium income).....	XXX	199,036	188,073
3. Change in unearned premium reserves and reserve for rate credits	XXX	(31)	(206)
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	199,005	187,867
Hospital and Medical:			
9. Hospital/medical benefits			0
10. Other professional services	2,988	71,895	55,034
11. Outside referrals			0
12. Emergency room and out-of-area			0
13. Prescription drugs			0
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	2,988	71,895	55,034
Less:			
17. Net reinsurance recoveries			0
18. Total hospital and medical (Lines 16 minus 17)	2,988	71,895	55,034
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$2,097 cost containment expenses.....		3,956	4,598
21. General administrative expenses.....		54,239	62,478
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	2,988	130,090	122,110
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	68,915	65,757
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,990	2,146
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,990	2,146
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	899	1,159
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	71,804	69,062
31. Federal and foreign income taxes incurred	XXX	26,928	17,949
32. Net income (loss) (Lines 30 minus 31)	XXX	44,876	51,113
DETAILS OF WRITE-INS			
0601.	XXX		0
0602.	XXX		0
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			0
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901. Administrative Income.....		899	1,159
2902.			0
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	899	1,159

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	391,488	347,595
34. Net income or (loss) from Line 32	44,876	51,113
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$0		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	572	(4,981)
39. Change in nonadmitted assets	2,608	(2,239)
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital & surplus (Lines 34 to 47)	48,056	43,893
49. Capital and surplus end of reporting year (Line 33 plus 48)	439,544	391,488
DETAILS OF WRITE-INS		
4701.		0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1. Premiums collected net of reinsurance.....		203,612	182,864
2. Net investment income		1,902	2,062
3. Miscellaneous income		0	0
4. Total (Lines 1 through 3)		205,514	184,926
5. Benefit and loss related payments		71,792	65,070
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
7. Commissions, expenses paid and aggregate write-ins for deductions		53,258	27,780
8. Dividends paid to policyholders			0
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)		17,258	8,073
10. Total (Lines 5 through 9)		142,308	100,923
11. Net cash from operations (Line 4 minus Line 10).....		63,206	84,003
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds		0	0
12.2 Stocks		0	0
12.3 Mortgage loans		0	0
12.4 Real estate		0	0
12.5 Other invested assets		0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		0	0
12.7 Miscellaneous proceeds		0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)		0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds		0	0
13.2 Stocks		0	0
13.3 Mortgage loans		0	0
13.4 Real estate		0	0
13.5 Other invested assets		0	0
13.6 Miscellaneous applications		0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)		0	0
14. Net increase (decrease) in contract loans and premium notes		0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		0	0
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes		0	0
16.2 Capital and paid in surplus, less treasury stock		0	0
16.3 Borrowed funds		0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities			0
16.5 Dividends to stockholders		0	0
16.6 Other cash provided (applied).....		44,720	(93,112)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		44,720	(93,112)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)		107,926	(9,109)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year		306,905	316,014
19.2 End of year (Line 18 plus Line 19.1).....		414,831	306,905

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE American Dental Providers of Arkansas, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	199,036	.0	.0	199,036	.0	.0	.0	.0	.0	.0
2. Change in unearned premium reserves and reserve for rate credit	(31)			(31)						
3. Fee-for-service (net of \$0 medical expenses) .....	.0									XXX
4. Risk revenue.....	.0									XXX
5. Aggregate write-ins for other health care related revenues.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
7. Total revenues (Lines 1 to 6).....	199,005	.0	.0	199,005	.0	.0	.0	.0	.0	.0
8. Hospital/medical benefits .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
9. Other professional services	71,895	.0	.0	71,895	.0	.0	.0	.0	.0	XXX
10. Outside referrals .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
11. Emergency room and out-of-area .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
12. Prescription drugs .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
13. Aggregate write-ins for other hospital and medical.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	.0									XXX
15. Subtotal (Lines 8 to 14)	71,895	.0	.0	71,895	.0	.0	.0	.0	.0	XXX
16. Net reinsurance recoveries .....	.0									XXX
17. Total hospital and medical (Lines 15 minus 16)	71,895	.0	.0	71,895	.0	.0	.0	.0	.0	XXX
18. Non-health claims (net) .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
19. Claims adjustment expenses including \$2,097 cost containment expenses.....	3,956		.0	3,956	.0	.0	.0	.0	.0	
20. General administrative expenses	54,239			54,239						
21. Increase in reserves for accident and health contracts .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
22. Increase in reserves for life contracts.....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	130,090	.0	.0	130,090	.0	.0	.0	.0	.0	.0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	68,915	0	0	68,915	0	0	0	0	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....				.0
2. Medicare Supplement .....				.0
3. Dental only.....	199,036			199,036
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	199,036	.0	.0	199,036
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	199,036	0	0	199,036

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE American Dental Providers of Arkansas, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct	71,791			71,791						
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	71,791	0	0	71,791	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	6,886	0	0	6,886	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	6,886	0	0	6,886	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a).....	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	6,783	0	0	6,783	0	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	6,783	0	0	6,783	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	71,895	0	0	71,895	0	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	71,895	0	0	71,895	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	305			305						
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	305	0	0	305	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct	6,377			6,377						
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	6,377	0	0	6,377	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	204			204						
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	204	0	0	204	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	6,886	0	0	6,886	0	0	0	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	6,886	0	0	6,886	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only.....	7,846	63,945	128	6,758	7,974	6,783
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid.....					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	7,846	63,945	128	6,758	7,974	6,783
10. Healthcare receivables (a).....					0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	7,846	63,945	128	6,758	7,974	6,783

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

Pt 2C - Sn A - Paid Claims - Comp

NONE

Pt 2C - Sn A - Paid Claims - MS

NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A – Paid Health Claims - Dental Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.26	.29	.29	.29	.29
2. 2007.....	.53	.56	.56	.56	.56
3. 2008.....	XXX	.46	.56	.56	.56
4. 2009.....	XXX	XXX	.79	.83	.83
5. 2010.....	XXX	XXX	XXX	.56	.64
6. 2011.....	XXX	XXX	XXX	XXX	64

Section B – Incurred Health Claims - Dental Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.26	.29	.29	.29	.29
2. 2007.....	.58	.60	.56	.56	.56
3. 2008.....	XXX	.53	.56	.56	.56
4. 2009.....	XXX	XXX	.91	.84	.83
5. 2010.....	XXX	XXX	XXX	.62	.64
6. 2011.....	XXX	XXX	XXX	XXX	71

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Dental Only

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007.....	.71	.56	.0	.0.0	.56	.78.9			.56	.78.9
2. 2008.....	.54	.56	.0	.0.0	.56	103.7			.56	103.7
3. 2009.....	.53	.83	.1	1.2	.84	158.5			.84	158.5
4. 2010.....	.188	.64	.1	1.6	.65	34.6			.65	34.6
5. 2011.....	.199	.64	1	1.6	.65	32.7	7	0	.72	36.2

Pt 2C - Sn A - Paid Claims - VO

NONE

Pt 2C - Sn A - Paid Claims - FE

NONE

Pt 2C - Sn A - Paid Claims - XV

NONE

Pt 2C - Sn A - Paid Claims - XI

NONE

Pt 2C - Sn A - Paid Claims - OT

NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.26	.29	.29	.29	.29
2. 2007.....	.53	.56	.56	.56	.56
3. 2008.....	XXX	.46	.56	.56	.56
4. 2009.....	XXX	XXX	.79	.83	.83
5. 2010.....	XXX	XXX	XXX	.56	.64
6. 2011.....	XXX	XXX	XXX	XXX	64

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.26	.29	.29	.29	.29
2. 2007.....	.58	.60	.56	.56	.56
3. 2008.....	XXX	.53	.56	.56	.56
4. 2009.....	XXX	XXX	.91	.84	.83
5. 2010.....	XXX	XXX	XXX	.62	.64
6. 2011.....	XXX	XXX	XXX	XXX	71

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2+3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2007.....	.71	.56	.0	.0.0	.56	.78.9	.0	.0	.56	.78.9
2. 2008.....	.54	.56	.0	.0.0	.56	103.7	.0	.0	.56	103.7
3. 2009.....	.53	.83	.1	.1.2	.84	158.5	.0	.0	.84	158.5
4. 2010.....	.188	.64	.1	.1.6	.65	34.6	.0	.0	.65	34.6
5. 2011.....	199	64	1	1.6	65	32.7	7	0	72	36.2

Pt 2C - Sn B - Incurred Claims - Comp

NONE

Pt 2C - Sn B - Incurred Claims - MS

NONE

Pt 2C - Sn B - Incurred Claims - VO

NONE

Pt 2C - Sn B - Incurred Claims - FE

NONE

Pt 2C - Sn B - Incurred Claims - XV

NONE

Pt 2C - Sn B - Incurred Claims - XI

NONE

Pt 2C - Sn B - Incurred Claims - OT

NONE

Part 2C - Sn C - Claims Expense Ratio Co

NONE

Part 2C - Sn C - Claims Expense Ratio MS

NONE

Part 2C - Sn C - Claims Expense Ratio VO
NONE

Part 2C - Sn C - Claims Expense Ratio FE
NONE

Part 2C - Sn C - Claims Expense Ratio XV
NONE

Part 2C - Sn C - Claims Expense Ratio XI
NONE

Part 2C - Sn C - Claims Expense Ratio OT
NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	2,403			2,403					
2. Additional policy reserves (a).....	.0								
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income).....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross)	2,403	.0	.0	2,403	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	2,403	0	0	2,403	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....	.0								
0502. ....	.0								
0503. ....	.0								
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101. ....	.0								
1102. ....	.0								
1103. ....	.0								
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$0 for occupancy of own building).....	19	44	630		693
2. Salaries, wages and other benefits.....	415	903	12,799	8	14,125
3. Commissions (less \$0 ceded plus \$0 assumed).....		0	3,558		3,558
4. Legal fees and expenses.....	0	0	57		57
5. Certifications and accreditation fees.....		0	11		11
6. Auditing, actuarial and other consulting services.....		0	32		32
7. Traveling expenses.....	8	4	338	0	350
8. Marketing and advertising.....	0	0	8,976		8,976
9. Postage, express and telephone.....	7	205	943	0	1,155
10. Printing and office supplies.....	2	85	226	0	313
11. Occupancy, depreciation and amortization.....	2	5	86		93
12. Equipment.....	3	5	344		352
13. Cost or depreciation of EDP equipment and software.....	10	35	1,636		1,681
14. Outsourced services including EDP, claims, and other services.....	1,581	248	3,035		4,864
15. Boards, bureaus and association fees.....	12	0	25	0	37
16. Insurance, except on real estate.....	1	2	119		122
17. Collection and bank service charges.....		237	306	0	543
18. Group service and administration fees.....		0	6,103		6,103
19. Reimbursements by uninsured plans.....		0			0
20. Reimbursements from fiscal intermediaries.....		0			0
21. Real estate expenses.....	8	15	469		492
22. Real estate taxes.....		0		25	25
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....		0	1,866		1,866
23.2 State premium taxes.....		0	8,180		8,180
23.3 Regulatory authority licenses and fees.....	1	1	3,295	0	3,297
23.4 Payroll taxes.....	26	66	801	1	894
23.5 Other (excluding federal income and real estate taxes).....		0	326		326
24. Investment expenses not included elsewhere.....		0	0		0
25. Aggregate write-ins for expenses.....	2	4	78	0	84
26. Total expenses incurred (Lines 1 to 25).....	2,097	1,859	54,239	34 (a)	58,229
27. Less expenses unpaid December 31, current year		52	41,399		41,451
28. Add expenses unpaid December 31, prior year	0	67	37,346	0	37,413
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	2,097	1,874	50,186	34	54,191
DETAILS OF WRITE-INS					
2501. Miscellaneous Administrative Expenses.....	2	4	78	0	84
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 + 2598) (Line 25 above)	2	4	78	0	84

(a) Includes management fees of \$40,284 to affiliates and \$0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....1,926	.....1,926
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....	.....
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....0	.....0
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....98	.....98
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	2,024	2,024
11.	Investment expenses		(g).....9
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....25
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....34
17.	Net investment income (Line 10 minus Line 16)		1,990
DETAILS OF WRITE-INS			
0901.	.....	
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes \$88 accrual of discount less \$ amortization of premium and less \$0 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$91 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$9 investment expenses and \$25 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....			.....0		
1.1	Bonds exempt from U.S. tax .....			.....0		
1.2	Other bonds (unaffiliated) .....			.....0		
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0		.....0
5.	Contract loans .....			.....0		
6.	Cash, cash equivalents and short-term investments .....			.....0	.....0	.....0
7.	Derivative instruments .....			.....0		
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	0	0	0	0	0
DETAILS OF WRITE-INS						
0901.	.....			.....0		
0902.	.....			.....0		
0903.	.....			.....0		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,676	3,853	2,177
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	43	459	416
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets	174	188	14
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,893	4,500	2,608
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	1,893	4,500	2,608
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Commissions.....	174	188	14
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	174	188	14

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	.0					
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	805	814	820	811	826	9,785
7. Total	805	814	820	811	826	9,785
DETAILS OF WRITE-INS						
0601. Dental.....	805	814	820	811	826	9,785
0602. ....	.0	.0	.0	.0	.0	.0
0603. ....	.0					
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	805	814	820	811	826	9,785

STATEMENT AS OF DECEMBER 31, 2011 OF THE AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Arkansas Department of Insurance.

The Arkansas Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial condition and results of operations of an insurance Company, for determining its solvency under the Arkansas Insurance Law. The National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Arkansas. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. No deviations exist.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Arkansas is shown below:

	State of Domicile		2011		2010
Net Income					
1. American Dental Providers of Arkansas, Inc. Arkansas basis	AR	\$	44,876	\$	51,113
2. State Prescribed Practices that increase/(decrease) NAIC SAP	AR		-		-
3. State Permitted Practices that increase/(decrease) NAIC SAP	AR		-		-
4. NAIC SAP	AR	\$	44,876	\$	51,113
Surplus					
5. American Dental Providers of Arkansas, Inc. Arkansas basis	AR	\$	439,544	\$	391,488
6. State Prescribed Practices that increase/(decrease) NAIC SAP	AR		-		-
7. State Permitted Practices that increase/(decrease) NAIC SAP:	AR		-		-
8. NAIC SAP	AR	\$	439,544	\$	391,488

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are based on knowledge of current events and anticipated future events, and accordingly, actual results could differ from those estimates.

C. Accounting Policy

Premiums are reported as earned in the period in which members are entitled to receive services, and are net of retroactive membership adjustments. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by an employer group or the government. Premiums received prior to such period are recorded as advance premiums.

Benefits incurred and loss adjustment expenses include claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, legal and administrative costs to settle claims, and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care provided prior to the date of the statements of admitted assets, liabilities and surplus. Capitation payments represent monthly contractual fees disbursed to participating primary care physicians, and other providers who are responsible for providing medical care to members. Pharmacy costs represent payments for members’ prescription drug benefits, net of rebates from drug manufacturers.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments include investments mainly in U.S. Government obligations with a maturity of twelve months or less from the date of purchase. Short-term investments are recorded at amortized cost. The carrying value of short-term investments approximates fair value due to the short-term maturities of the investments.
- (2)-(4) Investments are valued and classified in accordance with methods prescribed by the NAIC. Bonds with an NAIC rating of 1 or 2 are carried at amortized cost, with all other bonds being recorded at the lower of amortized cost or fair value; redeemable preferred stocks are carried at amortized cost; and non-redeemable preferred stocks are carried at fair value.

The Company regularly evaluates investment securities for impairment. The Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment’s fair value has been below carrying value, the near term prospects for recovery to carrying value, and the Company’s intent and ability to hold the investment until maturity or market recovery is realized. If and when a determination is made that a decline in fair value below the cost basis is other-than-temporary, the related investment is written down to its estimated fair value through earnings.

Amortization of bond premium or discount is computed using the scientific interest method.

Income from investments is recorded on an accrual basis. For the purpose of determining realized gains and losses, the cost of securities sold is based upon specific identification. Investment income due and accrued over 90 days past due is nonadmitted.

- (5) Not Applicable.

NOTES TO THE FINANCIAL STATEMENTS

(6) For loan backed and structured securities where the securities fair value is less then the amortized cost, the Company considers several factors to determine if the security’s impairment is other-than-temporary. If the Company has the intent to sell the security or if the Company does not have the intent and ability to retain the security until recovery of its fair value, the related investment is written down to its estimated fair value through earnings. If, however, the Company has the intent and ability to retain the security until recovery of its fair value, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment’s fair value has been below carrying value and the near term prospects for recovery to carrying value. If the determination is made, based on these factors, that the Company does expect to recover the entire amortized cost of the security, then an other-than-temporary impairment has not occurred. If, however, the determination is made that the Company does not expect to recover the entire amortized cost of the security based on the factors noted above, the Company recognizes a realized loss in earnings for the non-interest related decline. No loss is recognized for the interest impairment.

(7) Not Applicable.

(8) Not Applicable.

(9) Not Applicable.

(10)-(11) The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.

The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.

Management believes the Company’s benefits payable and loss adjustment expense are adequate to cover future claims and loss adjustment expense payments required, however, such estimates are based on knowledge of current events and anticipated future events and, therefore, the actual liability could differ from the amounts provided.

(12) The Company does not hold real estate for the production of income. No equipment is held by the Company.

The Company recognizes an asset or liability for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. The temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled.

(13) Not Applicable.

2. Accounting Changes and Corrections of Errors

Not Applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable.

B. Statutory Merger

Not Applicable.

C. Assumption Reinsurance

Not Applicable.

D. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not Applicable.

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

NOTES TO THE FINANCIAL STATEMENTS

D. Loan-Backed Securities

- (1) Not Applicable.
- (2) Not Applicable.
- (3) Not Applicable.
- (4) The Company does not have any investments in an other-than-temporary impairment position at year-end.

The Company does not have any loan-backed securities in an unrealized loss position as of December 31, 2011.

- (5) Not Applicable.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company has no repurchase agreements or securities lending transactions.

F. Real Estate

Not Applicable.

G. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10.0 percent of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

- B. The total amount excluded was \$0.

8. Derivative Instruments

Not Applicable.

9. Income Taxes

- A. The components of the net admitted deferred tax asset in the Company’s statements of Assets, Liabilities, and Surplus by tax character are as follows:

	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$320	\$ -	\$320	\$408	\$ -	\$408
Statutory valuation allowance adjustment	-	-	-	-	-	-
Adjusted gross deferred tax assets	320	-	320	408	-	408
Gross deferred tax liabilities	(12)	-	(12)	(1,129)	-	(1,129)
Net deferred tax asset/(liability) before admissibility test	308	-	308	(721)	-	(721)
Deferred tax assets nonadmitted	(43)	-	(43)	-	-	-
Net admitted deferred tax asset/(liability)	\$265	\$ -	\$265	\$(721)	\$ -	\$(721)

The Company has not elected to admit deferred tax assets pursuant to SSAP 10(R). The current period election does not differ from the prior reporting period.

The impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs was as follows:

	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Adjusted gross DTAs - Amount	-	-	-	N/A	N/A	N/A
Adjusted gross DTAs - Percentage	0.00%	0.00%	0.00%	N/A	N/A	N/A
Net admitted DTAs - Amount	-	-	-	N/A	N/A	N/A
Net admitted DTAs - Percentage	0.00%	0.00%	0.00%	N/A	N/A	N/A

STATEMENT AS OF DECEMBER 31, 2011 OF THE AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

B. There are no temporary differences for which a DTL has not been established.

C. Current tax and change in deferred tax

(1) Current income taxes incurred consist of the following major components:

	2011	2010
Current federal income tax expense	\$26,859	\$18,198
Foreign taxes	-	-
Subtotal	26,859	18,198
Tax on capital gains/(losses)	-	-
Utilization of capital loss carryforwards	-	-
Other, including prior year under accrual (over accrual)	69	(249)
Federal and foreign income taxes incurred	\$26,928	\$17,949

(2)-(3) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	December 31, 2011	December 31, 2010	Change
DTAs resulting from Book/Tax Differences in:			
(a) Ordinary			
Discounting of unpaid losses and LAE	\$ 166	\$ -	\$ 166
Unearned premiums	96	112	(16)
Policyholder reserves	-	-	-
Investments	-	-	-
Deferred acquisition costs	-	-	-
Policyholder dividends accrual	-	-	-
Fixed assets	-	-	-
Compensation and benefit accruals	-	-	-
Pension accruals	-	-	-
Nonadmitted assets	-	-	-
Net operating loss carryforwards	-	-	-
Tax credit carryforward	-	-	-
Other	58	296	(238)
Gross ordinary DTAs	320	408	(88)
(b) Statutory valuation adjustment	-	-	-
(c) Nonadmitted ordinary DTAs	(43)	-	(43)
(d) Admitted ordinary DTAs	277	408	(131)
(e) Capital	-	-	-
Investments	-	-	-
Net capital loss carryforwards	-	-	-
Real estate	-	-	-
Other	-	-	-
Unrealized capital losses	-	-	-
Gross capital DTAs	-	-	-
(f) Statutory valuation adjustment	-	-	-
(g) Nonadmitted capital DTAs	-	-	-
(h) Admitted capital DTAs	-	-	-
(i) Admitted DTAs	\$ 277	\$ 408	\$ (131)
DTLs resulting from Book/Tax Differences in:			
(a) Ordinary			
Investments	\$ -	\$ -	\$ -
Fixed assets	-	-	-
Deferred and uncollected premiums	-	-	-
Policyholder reserves/salvage and subrogation	-	(1,069)	1,069
Other	(12)	(60)	48
Ordinary DTLs	(12)	(1,129)	1,117
(b) Capital			
Investments	-	-	-
Real estate	-	-	-
Other	-	-	-
Unrealized capital gains	-	-	-
Capital DTLs	-	-	-
(c) DTLs	\$ (12)	\$ (1,129)	\$ 1,117
Net deferred tax assets/liabilites	\$ 265	\$ (721)	\$ 986

STATEMENT AS OF DECEMBER 31, 2011 OF THE AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

(4)The change in net deferred income taxes is comprised of the following the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the annual statement):

	December 31, 2011	December 31, 2010	Change
Total deferred tax assets	\$ 320	\$ 408	\$ (88)
Total deferred tax liabilities	(12)	(1,129)	1,117
Net deferred tax assets/liabilities	308	(721)	1,029
Statutory valuation allowance adjustment	-	-	-
Net deferred tax assets/liabilities after SVA	308	(721)	1,029
Tax effect of unrealized gains/(losses)	-	-	-
Statutory valuation allowance adjustment allocated to unrealized	-	-	-
Change in net deferred income tax [(charge)/benefit]	\$ 308	\$ (721)	\$ 1,029

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	Amount	Tax Effect	Effective Tax Rate
Income before Taxes	\$71,806	\$25,132	35.00%
Tax-exempt Interest	-	-	00.00%
Dividends Received Deduction	-	-	00.00%
Proration	-	-	00.00%
Meals & Entertainment	-	-	00.00%
Statutory Valuation Allowance Adjustment	-	-	00.00%
Other, Including Prior Year True-Up	2,193	767	01.07%
Total	73,999	\$25,899	36.07%
Federal income taxes incurred [expense/(benefit)]		\$26,928	37.50%
Tax on capital gains/(losses)		-	00.00%
Change in net deferred income tax [charge/(benefit)]		(1,029)	(01.43%)
Total statutory income taxes		\$25,899	36.07%

E. At December 31, 2011, the Company had net operating loss carryforwards expiring through the year 2031 of \$0.

At December 31, 2011, the Company had capital loss carryforwards expiring through the year 2016 of \$0.

At December 31, 2011, the Company had an AMT credit carryforward, which does not expire, in the amount of \$0.

The following table demonstrates the income tax expense for 2010 and 2011 that is available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
2010	18,267	-	18,267
2011	26,859	-	26,859
Total	45,126	-	45,126

There are no deposits admitted under IRC § 6603.

F. The Company is included in a consolidated federal income tax return with its parent Company, Humana Inc. The Company has a written agreement, approved by the Company’s Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to be paid for any future net losses it may incur. The Company has no contingent income tax liabilities. The Company has not adjusted gross deferred tax assets due to changes in judgment about the realizability of the related deferred tax asset. The Company has no deposits under Section 6603 of the Internal Revenue Code.

HUMANA INC. AND SUBSIDIARIES

CALENDAR YEAR ENDED DECEMBER 31, 2011
AFFILIATIONS SCHEDULE

CORPORATE NAME AND EMPLOYER IDENTIFICATION NUMBER

THE ADDRESS OF EACH COMPANY IS: P. O. BOX 740026, LOUISVILLE, KY 40201

CORP. NO.	CORPORATION NAME	EMPLOYER IDENTIFICATION NUMBER
1	HUMANA INC.	61-0647538
2	516-526 WEST MAIN STREET CONDOMINIUM COUNCIL OF CO-OWNERS, INC.	20-5309363
3	AMERICAN DENTAL PLAN OF NORTH CAROLINA, INC.	56-1796975

STATEMENT AS OF DECEMBER 31, 2011 OF THE AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

4	AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.	58-2302163
5	AUTO INJURY SOLUTIONS, INC.	26-2681597
6	CAC-FLORIDA MEDICAL CENTERS, LLC	26-0010657
7	CARENETWORK, INC.	39-1514846
8	CAREPLUS HEALTH PLANS, INC.	59-2598550
9	CARITEN HEALTH PLAN, INC.	62-1579044
10	CARITEN INSURANCE COMPANY	62-0729865
11	CHA HMO, INC.	61-1279717
12	CHA SERVICE COMPANY, INC.	61-1279716
13	COMPBENEFITS COMPANY	59-2531815
14	COMPBENEFITS CORPORATION	04-3185995
15	COMPBENEFITS DENTAL, INC.	36-3686002
16	COMPBENEFITS DIRECT, INC.	58-2228851
17	COMPBENEFITS INSURANCE COMPANY	74-2552026
18	COMPBENEFITS OF ALABAMA, INC.	63-1063101
19	COMPBENEFITS OF GEORGIA, INC.	58-2198538
20	COMPETITIVE HEALTH ANALYTICS, INC	42-1575099
21	CONCENTRA HEALTH SERVICES, INC.	75-2510547
22	CONCENTRA INC.	26-4823524
23	CONCENTRA INTEGRATED SERVICES, INC.	04-2658593
24	CONCENTRA OPERATING CORPORATION	04-3363415
25	CONCENTRA SOLUTIONS, INC.	75-2678146
26	CORPHEALTH PROVIDER LINK, INC.	20-8236655
27	CORPHEALTH, INC.	75-2043865
28	CPHP HOLDINGS, INC.	30-0117876
29	DEFENSEWEB TECHNOLOGIES, INC.	33-0916248
30	DENTAL CARE PLUS MANAGEMENT, CORP.	36-3512545
31	DENTICARE, INC.	76-0039628
32	EMPHESYS INSURANCE COMPANY	31-0935772
33	EMPHESYS, INC.	61-1237697
34	HEALTH VALUE MANAGEMENT, INC.	61-1223418
35	HEMECARE HEALTH SOLUTIONS, INC.	45-3116348 3
36	HUMA, INC.	45-3554560 1
37	HUMANA ACTIVE OUTLOOK, INC.	20-4835394
38	HUMANA ADVANTAGECARE PLAN, INC.	65-1137990
39	HUMANA BENEFIT PLAN OF ILLINOIS, INC.	37-1326199
40	HUMANA DENTAL COMPANY	59-1843760
41	HUMANA EMPLOYERS HEALTH PLAN OF GEORGIA, INC.	58-2209549
42	HUMANA GOVERNMENT NETWORK SERVICES, INC.	20-1717441
43	HUMANA HEALTH BENEFIT PLAN OF LOUISIANA, INC.	72-1279235
44	HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC.	61-1041514
45	HUMANA HEALTH PLAN INTERESTS, INC.	71-0732385
46	HUMANA HEALTH PLAN OF CALIFORNIA, INC.	26-3473328
47	HUMANA HEALTH PLAN OF OHIO, INC.	31-1154200
48	HUMANA HEALTH PLAN OF TEXAS, INC.	61-0994632
49	HUMANA HEALTH PLAN, INC.	61-1013183
50	HUMANA INNOVATION ENTERPRISES, INC.	61-1343791
51	HUMANA INSURANCE COMPANY	39-1263473
52	HUMANA INSURANCE COMPANY OF KENTUCKY	61-1311685
53	HUMANA INSURANCE COMPANY OF NEW YORK	20-2888723
54	HUMANA MARKETPOINT, INC.	61-1343508
55	HUMANA MEDICAL PLAN OF MICHIGAN, INC.	27-3991410
56	HUMANA MEDICAL PLAN OF PENNSYLVANIA, INC.	27-4460531
57	HUMANA MEDICAL PLAN OF UTAH, INC.	20-8411422
58	HUMANA MEDICAL PLAN, INC.	61-1103898
59	HUMANA MILITARY DENTAL SERVICES, INC.	27-1323221
60	HUMANA MILITARY HEALTHCARE SERVICES, INC.	61-1241225
61	HUMANA PHARMACY SOLUTIONS, INC.	45-2254346 3
62	HUMANA PHARMACY, INC.	61-1316926
63	HUMANA VETERANS HEALTHCARE SERVICES, INC.	20-8418853
64	HUMANA WISCONSIN HEALTH ORGANIZATION INSURANCE CO.	39-1525003
65	HUMANACARES, INC.	65-0274594
66	HUMANADENTAL INSURANCE COMPANY	39-0714280
67	HUMANADENTAL, INC.	61-1364005
68	HUMCO, INC.	61-1239538
69	HUMEDIUM, INC.	45-3116444 2

STATEMENT AS OF DECEMBER 31, 2011 OF THE AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

70	HUM-e-FL, INC.	61-1383567
71	HUM-HOLDINGS INTERNATIONAL, INC.	26-3583438
72	HUMPHIRE, INC.	45-3777894 3
73	HUMSOL, INC.	45-3023344 3
74	KMG AMERICA CORPORATION	20-1377270
75	MANAGED CARE INDEMNITY, INC.	61-1232669
76	NATIONAL HEALTHCARE RESOURCES, INC.	11-3273542
77	OMP INSURANCE COMPANY, LTD.	98-0445802
78	PHP COMPANIES, INC.	62-1552091
79	PREFERRED HEALTH PARTNERSHIP OF TENNESSEE, INC.	62-1546662
80	PREFERRED HEALTH PARTNERSHIP, INC.	62-1250945
81	PRESERVATION ON MAIN, INC.	20-1724127
82	TEXAS DENTAL PLANS, INC.	74-2352809
83	THE DENTAL CONCERN, INC.	52-1157181
84	THE DENTAL CONCERN, LTD	36-3654697

FOOTNOTE:

- BLANK = TAX PERIOD 1/1/11 THROUGH 12/31/11
- 1 = TAX PERIOD 10/6/11 TO 12/6/11 - DATE OF MERGER
- 2 = TAX PERIOD 8/25/11 TO 12/30/11 - DATE OF MERGER
- 3 = DATE OF INCORPORATION THROUGH 12/31/11

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A.-F. The Company has a management contract with Humana and other related parties whereby the Company is provided with medical and executive management, information systems, claims processing, billing and enrollment, and telemarketing and other services as required by the Company. Management fees charged to operations for the years ended December 31, 2011 and 2010 were approximately \$40,284 and \$20,815 respectively. As a part of this agreement, Humana makes cash disbursements on behalf of the Company which includes, but is not limited to, medical related items, general and administrative expenses, commissions and payroll. Humana is reimbursed by the Company weekly, based upon historical pattern of amounts and timing. Each month, these estimates are adjusted to ultimately settle upon actual disbursements made on behalf of the Company. As a result, any residual inter-Company balances are immediately settled in the following month. The Company continues to be primarily liable for any outstanding payments made on behalf of the Company, should Humana not be able to fulfill its obligations. No dividends were paid by the Company. The Department of Insurance was notified prior to the payment of this dividend. At December 31, 2011, the Company reported \$19,855 amounts due to Humana Inc. Amounts due to or from parent are generally settled within 30 days.
- G. Not Applicable.
- H. Not Applicable.
- I. Not Applicable.
- J. Not Applicable.
- K. Not Applicable.
- L. Not Applicable.

11. Debt

- A. Debt, including Capital Notes
 - The Company has no debentures outstanding.
 - The Company has no capital notes outstanding.
 - The Company does not have any reverse repurchase agreements.
- B. Federal Home Loan Bank (FHLB) Agreements
 - The Company does not have any FHLB agreements.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan
 - Not Applicable.
- B. Defined Contribution Plan
 - Not Applicable.
- C. Multiemployer Plans
 - Not Applicable.

STATEMENT AS OF DECEMBER 31, 2011 OF THE AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

D. Consolidated/Holding Company Plans

The Company employees are eligible to participate in the Humana Retirement Savings Plan ("the Plan"), a defined contribution plan, sponsored by Humana Inc. The Plan maintains two accounts, the Savings Account and the Retirement Account.

Humana Inc.'s total contributions paid to the Savings and Retirement accounts of the Humana Retirement Savings Plan were \$125 million and \$109.1 million for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010 the fair market value of the Humana Retirement Savings Plan's assets was \$1.9 billion and \$1.6 billion, respectively.

E. Post Employment Benefits and Compensated Absences

Not Applicable.

G. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not Applicable.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- 1) The Company has \$100 par value common stock with 1,000 shares authorized and 1,000 shares issued and outstanding.
- 2) The Company has no preferred stock outstanding.
- 3-5) Dividends are noncumulative and are paid as determined by the Board of Directors. Dividends are subject to the approval of the Department of Insurance if such dividend distribution which, together with other dividends or distributions made within the preceding twelve months, exceeds the lesser of (a) 10 percent of the company's policyholder surplus as of December 31 of the prior year, or (b) the net income, for the twelve month period ending December 31 of the prior year.
Within the limitations above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
No dividends were paid by the Company.
- 6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 7) Not Applicable.
- 8) Not Applicable.
- 9) Not Applicable.
- 10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$0.
- 11) Not Applicable.
- 12) Not Applicable.
- 13) Not Applicable.

14. Contingencies

A. Contingent Commitments

Not Applicable.

B. Assessments

Not Applicable.

C. Gain Contingencies

Not Applicable.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Not Applicable.

E. All Other Contingencies

During the ordinary course of business, the Company is subject to pending and threatened legal actions. Management of the Plan does not believe that any of these actions will have a material adverse effect on the Company's surplus, results of operations or cash flows. However, the likelihood or outcome of current or future legal proceedings cannot be accurately predicted, and they could adversely affect the Company's surplus, results of operations and cash flows.

The Company is aware of no material contingent liabilities as of December 31, 2011.

15. Leases

A. Lessee Operating Lease

Not Applicable.

B. Other Leases

1) Lessor Leases

Not Applicable.

2) Leveraged Leases

Not Applicable.

STATEMENT AS OF DECEMBER 31, 2011 OF THE AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

16. Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The Company has no investment in Financial Instruments with Off Balance Sheet Risk or with Concentrations of Credit Risk.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

C. Wash Sales

Not Applicable.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans

Not Applicable.

B. ASC Plans

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

Not Applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not Applicable.

20. Fair Value Measurements

A. Not Applicable.

B. Not Applicable.

C. Not Applicable.

21. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring: Debtors

Not Applicable.

C. Other Disclosures

Not Applicable.

D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, Uncollected Premium Balances, Bill Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

Not Applicable.

E. Business Interruption Insurance Recoveries

Not Applicable.

F. State Transferable and Non-transferable Tax Credits

Not Applicable.

G. Subprime Mortgage Related Risk Exposure

The Company consults with its external investment managers to assess its subprime mortgage related risk exposure. Certain characteristics are utilized to determine if a mortgage-backed security has subprime exposure. The main characteristics reviewed when determining this are the collateral and structure of the security, the loan purpose, loan documentation, occupancy, geographical location, loan size and type. Subprime mortgage borrowers typically have lower credit scores, lower loan balances and higher loan-to-values than other conforming loans. Management's practices include reviewing quantitative and qualitative credit models that analyze loan-level collateral composition, historical underwriter performance trends, the impact of macroeconomic factors, and issuer risks; as well as reviewing the estimation of security cash flows and monthly model calibrations.

NOTES TO THE FINANCIAL STATEMENTS

- (1) Direct exposure through investments in sub-prime mortgage loans.

The Company has no direct exposure through investment to sub-prime mortgage loans.

- (2) Indirect exposure to sub-prime mortgage risk through investments in the following securities:

- Residential mortgage backed securities – No substantial exposure noted.
- Collateralized debt obligations – No substantial exposure noted.
- Structured Securities (including principal protected notes) – No substantial exposure noted.
- Debt Securities of companies with significant sub-prime exposure – No substantial exposure noted.
- Equity securities of companies with significant sub-prime exposure – No substantial exposure noted.
- Other Assets – No substantial exposure noted.

- (3) Underwriting exposure to sub-prime mortgage risk through Mortgage Guaranty coverage, Financial Guaranty coverage, Directors and Officers liability coverage, or Errors and Omissions liability coverage.

Not Applicable.

- (4) Classification of mortgage related securities is primarily based on information from outside data services, including rating agency actions. When considering our exposure, the Company evaluated the percentage of full documentation loans, percent of owner occupied properties, FICO scores, average margin for ARM loans, percent of loans with prepayment penalties, the existence of non-traditional underwriting standards, among other factors.

H. Retained Assets

Not Applicable.

22. Events Subsequent

The Company is not aware of any events or transactions occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition. Subsequent events have been considered through February 24, 2012 for the statutory statement issued on February 24, 2012.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10.0 percent or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes () No (X)

Have any policies issued by the Company been reinsured with a Company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10.0 percent or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes () No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

B. Uncollectible Reinsurance

Not Applicable.

STATEMENT AS OF DECEMBER 31, 2011 OF THE AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.

NOTES TO THE FINANCIAL STATEMENTS

C. Commutation of Ceded Reinsurance

Not Applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2010 were \$6,851. As of December 31, 2011, \$7,907 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$129 as a result of reestimation of unpaid claims and claim adjustment expenses principally on the dental line of insurance. Therefore, there has been a \$1,185 unfavorable prior-year development since December 31, 2010. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company has no retrospectively rated policies.

26. InterCompany Pooling Arrangements

A.-F. Not Applicable.

27. Structured Settlements

The Company has no structured settlements.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Not Applicable.

B. Risk Sharing Receivables

Not Applicable.

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

- | | | |
|---|------------|----------|
| 1. Liability carried for premium deficiency reserves | \$ | - |
| 2. Date of the most recent evaluation of this liability | 12/31/2011 | |
| 3. Was anticipated investment income utilized in the calculation? | Yes () | No (X) |

31. Anticipated Salvage and Subrogation

Not Applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []
- 1.3

State Regulating?

Arkansas.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2010
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2007
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....02/24/2009
- 3.4

By what department or departments? Arkansas Department of Insurance.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [X] No [] N/A []
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [] No [X]

4.12 renewals? Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [] No [X]

4.22 renewals? Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,

7.21 State the percentage of foreign control

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....
.....

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [☐] No [☒]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
N/A.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [☐] No [☒]
- 8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers LLC, 500 West Main, Suite 1800, Louisville, Kentucky 40202-4264.....
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [☐] No [☒]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
N/A.....
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [☐] No [☒]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
N/A.....
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [☒] No [☐] N/A [☐]
- 10.6

If the response to 10.5 is no or n/a, please explain
N/A.....
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Jonathan Albert Canine, Actuarial Director and Appointed Actuary, 500 West Main Street, Louisville, KY 40202.....
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [☐] No [☒]

12.11

Name of real estate holding company

0.....

12.12

Number of parcels involved

.....0

12.13

Total book/adjusted carrying value

\$0
- 12.2

If yes, provide explanation
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
N/A.....
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [☐] No [☐]
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [☐] No [☐]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [☐] No [☐] N/A [☐]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [☒] No [☐]

a.

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b.

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c.

Compliance with applicable governmental laws, rules and regulations;

d.

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e.

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is no, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s)
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [☐] No [☒]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers \$.....0

20.12 To stockholders not officers \$.....0

20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers \$.....0

20.22 To stockholders not officers \$.....0

20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others \$.....0

21.22 Borrowed from others \$.....0

21.23 Leased from others \$.....0

21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$.....0

22.22 Amount paid as expenses \$.....0

22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....0

INVESTMENT

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes [X] No []
- 24.2 If no, give full and complete information, relating thereto
N/A.....
- 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
Humana voluntarily participated in securities lending until it was discontinued in November 2011. It is a low risk, low maintenance source of additional income and increases our surplus. It is recognized and allowed by the NAIC in SSAP 91 and the NAIC Investments of Insurers Model Act 280.....
- 24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] NA [X]
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$.....0
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$.....0
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] NA []
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [X]
- 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] NA []

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [] No [X]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	\$0
25.22	Subject to reverse repurchase agreements	\$0
25.23	Subject to dollar repurchase agreements	\$0
25.24	Subject to reverse dollar repurchase agreements	\$0
25.25	Pledged as collateral	\$0
25.26	Placed under option agreements	\$0
25.27	Letter stock or securities restricted as to sale	\$0
25.28	On deposit with state or other regulatory body	\$0
25.29	Other	\$0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....
.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$0

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian’s Address
JP Morgan Chase.....	4 New York Plaza, 15th Floor, New York, NY. 10004-2413 Attn: Charles Tuzzolino.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....
.....

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....
.....
.....

GENERAL INTERROGATORIES

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?
- 29.2 If yes, complete the following schedule:
- Yes [] No [X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		0

- 29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	480,340	483,737	3,397
30.2 Preferred Stocks.....	0		0
30.3 Totals	480,340	483,737	3,397

- 30.4 Describe the sources or methods utilized in determining the fair values:

Fair value of actively traded debt and equity securities are based on quoted market prices.Fair value of inactively traded debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation.....

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- Yes [] No [X]
- Yes [] No []
- Fair value of actively traded debt and equity securities are based on quoted market prices.Fair value of inactively traded debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation.....
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?
- 32.2 If no, list exceptions:
- Yes [X] No []
- None.....

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$0
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

- 34.1 Amount of payments for legal expenses, if any? \$0
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
1.2 If yes, indicate premium earned on U. S. business only \$0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$0
1.31 Reason for excluding
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$0
1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$0
1.6 Individual policies:
Most current three years:
1.61 Total premium earned \$0
1.62 Total incurred claims \$0
1.63 Number of covered lives0
All years prior to most current three years:
1.64 Total premium earned \$0
1.65 Total incurred claims \$0
1.66 Number of covered lives0
1.7 Group policies:
Most current three years:
1.71 Total premium earned \$0
1.72 Total incurred claims \$0
1.73 Number of covered lives0
All years prior to most current three years:
1.74 Total premium earned \$0
1.75 Total incurred claims \$0
1.76 Number of covered lives0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$199,036	\$	.....188,073
2.2	Premium Denominator	\$199,036	\$	.....188,073
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$9,290	\$	.....9,155
2.5	Reserve Denominator	\$9,289	\$	.....9,156
2.6	Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
3.2 If yes, give particulars:
4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No []
5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]
5.2 If no, explain:
HMO stop-loss is not required for Prepaid Dental Plan
5.3 Maximum retained risk (see instructions)
5.31 Comprehensive Medical \$0
5.32 Medical Only \$0
5.33 Medicare Supplement \$0
5.34 Dental and Vision \$0
5.35 Other Limited Benefit Plan \$0
5.36 Other \$0
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Provider contracts include hold harmless and continuation of benefits provisions. HMO has an indemnity agreement with the parent company.
7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No []
7.2 If no, give details:
8. Provide the following information regarding participating providers:
8.1 Number of providers at start of reporting year0
8.2 Number of providers at end of reporting year0
9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
9.2 If yes, direct premium earned:
9.21 Business with rate guarantees between 15-36 months0
9.22 Business with rate guarantees over 36 months0

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [] No [X]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$.....0

10.22 Amount actually paid for year bonuses

\$.....0

10.23 Maximum amount payable withholds

\$.....0

10.24 Amount actually paid for year withholds

\$.....0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes [] No [X]

11.13 An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14 A Mixed Model (combination of above) ?

Yes [] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [X] No []

11.3 If yes, show the name of the state requiring such net worth.

Arkansas.....

11.4 If yes, show the amount required.

\$.....100,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [] No [X]

11.6 If the amount is calculated, show the calculation.

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
.....
.....
.....
.....
.....

13.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$.....

13.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$.....

FIVE - YEAR HISTORICAL DATA

	1 2011	2 2010	3 2009	4 2008	5 2007
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	531,057	450,251	435,527	375,722	339,516
2. Total liabilities (Page 3, Line 24)	91,513	58,763	87,932	49,848	58,532
3. Statutory surplus	100,000	100,000	100,000	100,000	100,000
4. Total capital and surplus (Page 3, Line 33)	439,544	391,488	347,595	325,874	280,984
Income Statement (Page 4)					
5. Total revenues (Line 8)	199,005	187,867	162,662	135,901	134,849
6. Total medical and hospital expenses (Line 18)	71,895	55,034	94,108	50,886	58,405
7. Claims adjustment expenses (Line 20)	3,956	4,598	2,145	1,384	2,098
8. Total administrative expenses (Line 21)	54,239	62,478	37,201	26,364	58,927
9. Net underwriting gain (loss) (Line 24)	68,915	65,757	29,208	57,267	15,419
10. Net investment gain (loss) (Line 27)	1,990	2,146	3,290	8,263	10,507
11. Total other income (Lines 28 plus 29)	899	1,159	1,405	1,825	2,362
12. Net income or (loss) (Line 32)	44,876	51,113	21,815	40,422	19,566
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	63,206	84,003	26,625	41,222	18,081
Risk-Based Capital Analysis					
14. Total adjusted capital.....	439,544	391,488	347,595	325,874	280,984
15. Authorized control level risk-based capital.....	25,062	25,111	26,028	28,314	25,324
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	826	805	793	414	729
17. Total members months (Column 6, Line 7)	9,785	9,738	9,480	7,862	9,531
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	36.1	29.3	57.9	37.4	43.3
20. Cost containment expenses	1.1	0.8	0.2	0.1	0.3
21. Other claims adjustment expenses	0.9	1.7	1.1	0.9	1.3
22. Total underwriting deductions (Line 23)	65.4	65.0	82.0	57.9	88.6
23. Total underwriting gain (loss) (Line 24)	34.6	35.0	18.0	42.1	11.4
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	7,974	4,657	9,868	3,304	100
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	6,783	12,022	6,973	5,362	235
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated		0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?.....Yes [] No []

If no, please explain:

.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N	0	0	0	0			0	0
2. Alaska	AK	N	0	0	0	0			0	0
3. Arizona	AZ	N	0	0	0	0			0	0
4. Arkansas	AR	L	199,036	0	0	0			199,036	0
5. California	CA	N	0	0	0	0			0	0
6. Colorado	CO	N	0	0	0	0			0	0
7. Connecticut	CT	N	0	0	0	0			0	0
8. Delaware	DE	N	0	0	0	0			0	0
9. District of Columbia	DC	N	0	0	0	0			0	0
10. Florida	FL	N	0	0	0	0			0	0
11. Georgia	GA	N	0	0	0	0			0	0
12. Hawaii	HI	N	0	0	0	0			0	0
13. Idaho	ID	N	0	0	0	0			0	0
14. Illinois	IL	N	0	0	0	0			0	0
15. Indiana	IN	N	0	0	0	0			0	0
16. Iowa	IA	N	0	0	0	0			0	0
17. Kansas	KS	N	0	0	0	0			0	0
18. Kentucky	KY	N	0	0	0	0			0	0
19. Louisiana	LA	N	0	0	0	0			0	0
20. Maine	ME	N	0	0	0	0			0	0
21. Maryland	MD	N	0	0	0	0			0	0
22. Massachusetts	MA	N	0	0	0	0			0	0
23. Michigan	MI	N	0	0	0	0			0	0
24. Minnesota	MN	N	0	0	0	0			0	0
25. Mississippi	MS	N	0	0	0	0			0	0
26. Missouri	MO	N	0	0	0	0			0	0
27. Montana	MT	N	0	0	0	0			0	0
28. Nebraska	NE	N	0	0	0	0			0	0
29. Nevada	NV	N	0	0	0	0			0	0
30. New Hampshire	NH	N	0	0	0	0			0	0
31. New Jersey	NJ	N	0	0	0	0			0	0
32. New Mexico	NM	N	0	0	0	0			0	0
33. New York	NY	N	0	0	0	0			0	0
34. North Carolina	NC	N	0	0	0	0			0	0
35. North Dakota	ND	N	0	0	0	0			0	0
36. Ohio	OH	N	0	0	0	0			0	0
37. Oklahoma	OK	N	0	0	0	0			0	0
38. Oregon	OR	N	0	0	0	0			0	0
39. Pennsylvania	PA	N	0	0	0	0			0	0
40. Rhode Island	RI	N	0	0	0	0			0	0
41. South Carolina	SC	N	0	0	0	0			0	0
42. South Dakota	SD	N	0	0	0	0			0	0
43. Tennessee	TN	N	0	0	0	0			0	0
44. Texas	TX	N	0	0	0	0			0	0
45. Utah	UT	N	0	0	0	0			0	0
46. Vermont	VT	N	0	0	0	0			0	0
47. Virginia	VA	N	0	0	0	0			0	0
48. Washington	WA	N	0	0	0	0			0	0
49. West Virginia	WV	N	0	0	0	0			0	0
50. Wisconsin	WI	N	0	0	0	0			0	0
51. Wyoming	WY	N	0	0	0	0			0	0
52. American Samoa	AS	N							0	0
53. Guam	GU	N							0	0
54. Puerto Rico	PR	N							0	0
55. U.S. Virgin Islands	VI	N							0	0
56. Northern Mariana Islands	MP	N							0	0
57. Canada	CN	N							0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal		XXX	199,036	0	0	0	0	0	199,036	0
60. Reporting entity contributions for Employee Benefit Plans		XXX							0	
61. Total (Direct Business)	(a)	1	199,036	0	0	0	0	0	199,036	0
DETAILS OF WRITE-INS										
5801.		XXX							0	
5802.		XXX							0	
5803.		XXX							0	
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0	0	
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX	0	0	0	0	0	0	0	

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

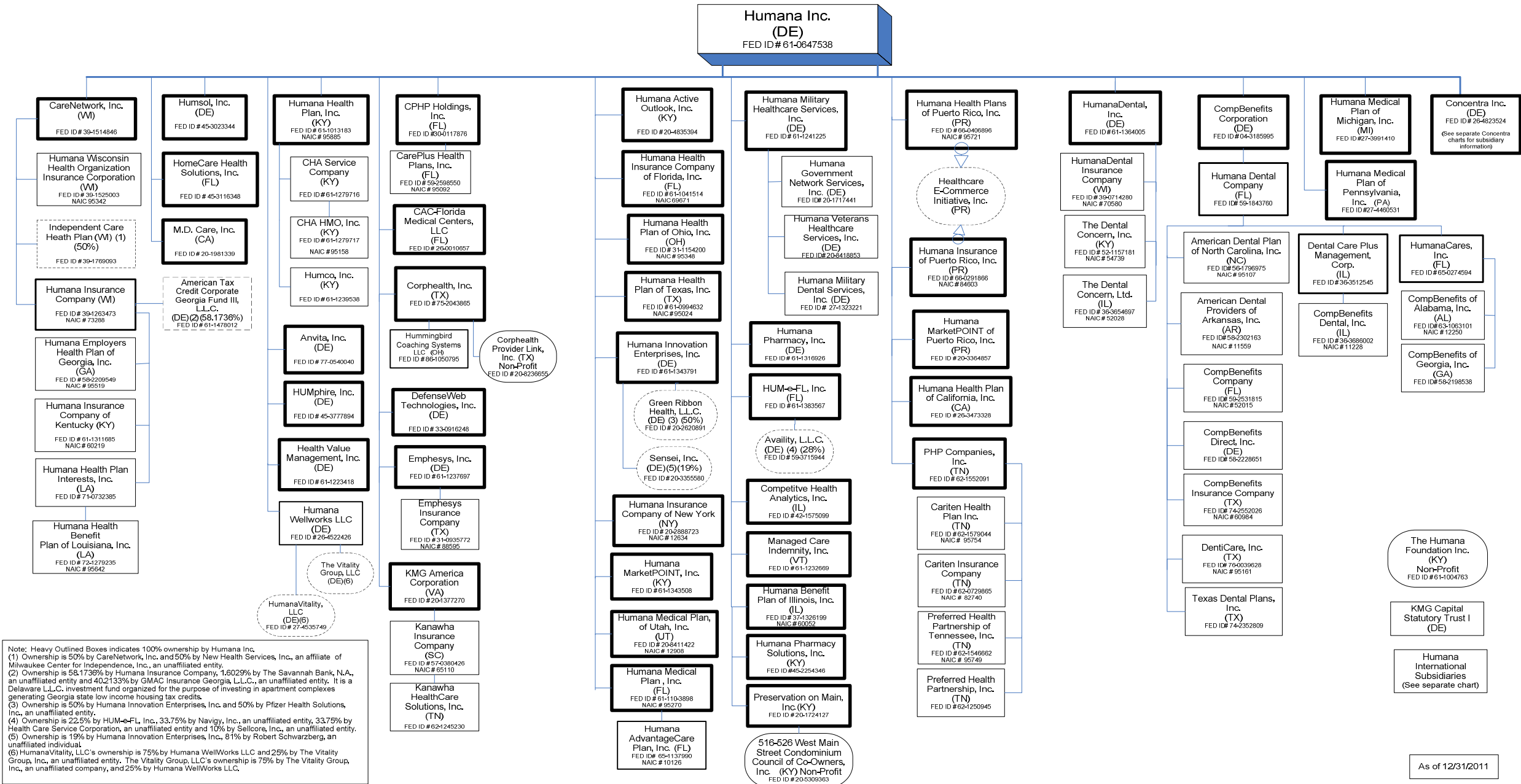
Explanation of basis of allocation by states, premiums by state, etc.: The Company allocates group premiums to the situs of the contract and individual premiums based on residence.

(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

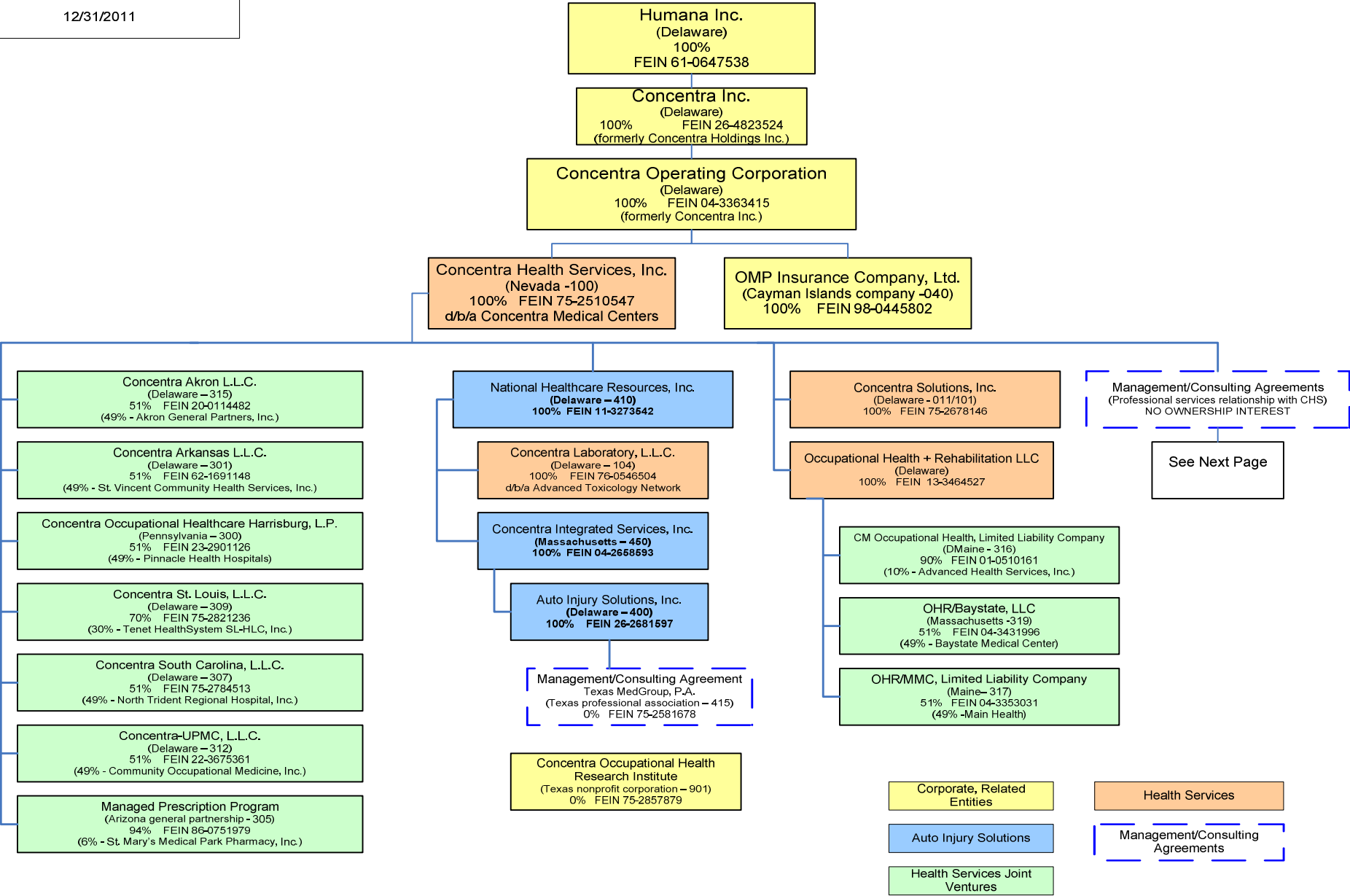
38



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

12/31/2011



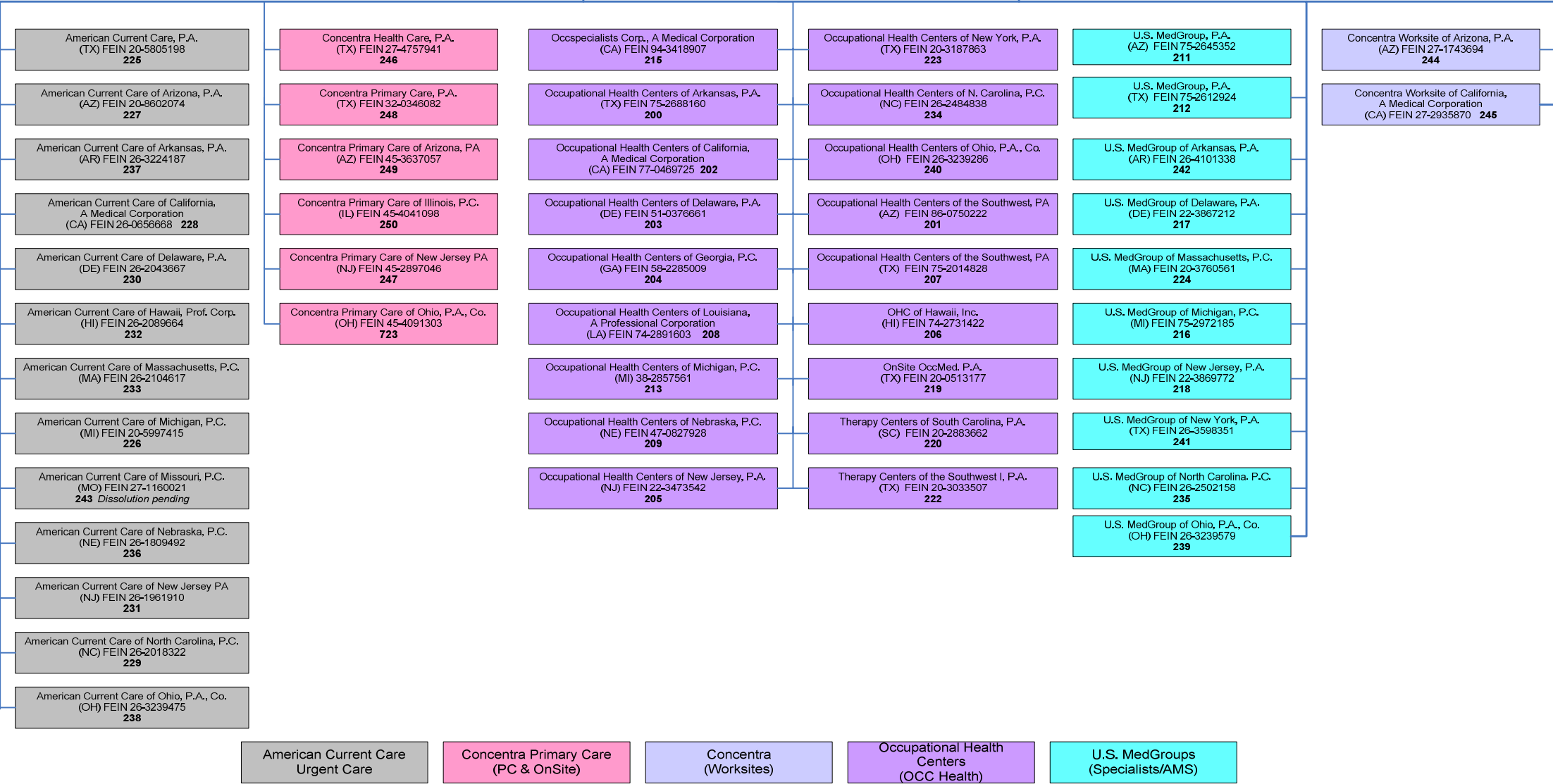
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

12/31/2011

Management/Consulting Agreements
(Professional services relationship with CHS)

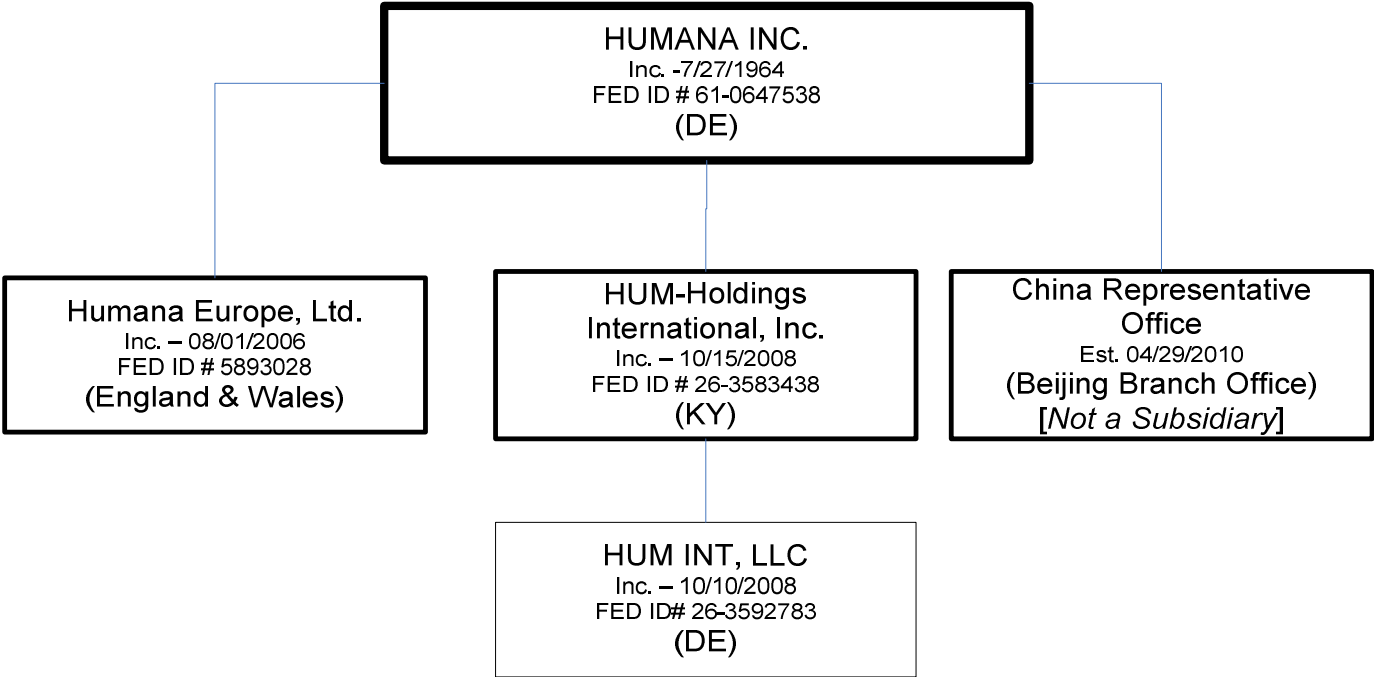
NO OWNERSHIP INTEREST



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

HUMANA INTERNATIONAL SUBSIDIARIES



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